23 January 1952

MEMORANDUM FOR: All Concerned

THRU   : Chief, D/A

FROM   : Acting Chief, A/EC

SUBJECT   : Trade Statistics for NIE-59

1. Since some functional analysts have experienced frustrating
difficulties in working on NIE-59 on the basis of available Bloc trade
statistics, a further explanation of the nature and availability of
trade statistics seems to be called for. The only reasonably comprehensive
data that A/EC has been able to compile are contained in a paper issued
2 January 1952, Commodity Breakdown By Value for Bloc Imports from the
West, 1950. These data are tentative, preliminary, and incomplete.
They are based on statistics from the Department of Commerce and Task
Force I. The commodity breakdown is a slightly revised version of a
breakdown devised by Commerce toward the end of last year. At the time
the paper was issued, it was expected that Commerce would compile
complete statistics by 15 January 1952, covering trade in the first half
of 1951. The A/EC statistics were intended as a stopgap measure, to
aid analysts in choosing the commodities or commodity classifications
that would be studied in NIE-59.

2. Commerce has not been able to meet the 15 January deadline.
In fact, Commerce does not now feel that it can complete its compilation
until around 1 March. After these statistics are compiled, additional
adjustments must be made by State and Commerce to project data for 1952.
Hence final data will probably not be available until around 15 March.
The deadline for Project 92-51 will be adjusted accordingly. The new
deadline will be announced as soon as agreement is reached by the
Working Group on NIE-59 and ONE.

3. In the process of compiling total trade to and from the Bloc,
Commerce will be working on data from individual countries of the West.
As statistics are compiled country by country, worksheets will be sent
to S/TF in multiple copies for immediate dissemination to functional
branches. The possible usefulness of these statistics will be pointed
out below.

4. The EIC Working Group on NIE-59 has hoped that functional
analysts could complete most of their work on the basis of provisional
trade statistics, making such adjustments as required upon receipt of
final estimates of 1952 trade. For instance, provisional trade statistics

will undoubtedly give as good an indication of the important commodities traded as the final statistics will. On the basis of this information, analysts can proceed to estimate inputs per unit of output. These estimates of input coefficients can later be multiplied by whatever quantity figures are finally received from Commerce and State Departments.

5. The commodity breakdown in trade statistics is determined by the official reporting practices of trading countries. Some countries provide finer breakdowns than others; each country has its own set of commodity definitions. A/EC has the commodity breakdowns for 1950 trade data for individual countries and will make these data available to any interested analysts. As mentioned above (paragraph 3), country worksheets for the first half of 1951 will be distributed as received from Commerce. In aggregating trade data by commodities for all countries trading with the Bloc, it is impossible to retain the detail in commodity breakdown reported by individual countries, since definitions of commodities differ widely from country to country. Fairly broad categories must be devised to keep the number of categories within manageable limits, to prevent overlaps in categories, and to provide baskets into which differently defined commodities can be placed. It was indeed originally felt that broader categories would be a blessing in that input requirements would not have to be estimated for an endless number of finely differentiated commodities. It is still highly desirable, if not necessary because of the limitations of available data, that a "representative" commodity be chosen from a group of closely related commodities, the criterion of choice being that inputs per unit of output of that commodity represent average inputs per unit of output of all commodities in the group. The representative commodity might, in fact, be quite fictitious: a composite of commodities in the group.

6. Some data on physical quantities of commodities traded are available in country worksheets. Unfortunately, these data are not well suited to the problem at hand, being usually expressed in terms of metric tons. For all the reasons outlined in the preceding paragraph, better information cannot be provided.

7. We wish to re-emphasize that members of A/EC stand ready to give any assistance they can on problems facing the functional analysts. 25X1A9a Members working most closely on Project 92-51 are ███████████████,

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